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09/735,586	12/12/2000	Tyler Peppel	OOMP0001C	7217

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EXAMINER

LANIER, BENJAMIN E

ART UNIT	PAPER NUMBER
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2132

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24

Please find below and/or attached an Office communication concerning this application or proceeding.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/735,586
Filing Date: December 12, 2000
Appellant(s): PEPPEL, TYLER

Michael A. Glenn

For Appellant

EXAMINER'S ANSWER

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(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

This is in response to the appeal brief filed 04 June 2004

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) *Grouping of Claims*

Appellant's brief includes a statement that claims 1-9, 11, 12, and 25-32 do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) *Claims Appealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

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(9) Prior Art of Record

5,533,124	SMITH	7-1996
5,757,907	COOPER	5-1998
4,970,666	WELSH	11-1990

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after December 12, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

2. Claims 1-7, 9, 25-32 are rejected under 35 U.S.C. 102(e) as being anticipated Smith, U.S. Patent No. 5,533,124. Referring to claims 1, 2, 5, 6, 9, 25-32, Smith discloses executable program code under the control of a processor/controller (computer code segment embodied in tangible medium) (Col. 5, lines 31-33), digital data (digital content) (Col. 5, line 51), software

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that causes trading card data that has been stored to be cleared or deleted (supports content scarcity and content authenticity) (Col. 3, lines 24-34), a copy protection scheme using encryption (lock and key mechanism) (Col. 2, lines 31-44), data for producing graphics, written text, sound, and video (graphic identification code and multimedia) (Col. 2, lines 13-17), interactive areas used to provide different graphics and multimedia (Col. 3, lines 13-15), and a PC (Col. 5, line 12), trading card software (Col. 5, line 27), input devices (Col. 5, line 27), and a display (Col. 5, line 30).

Referring to claim 3, Smith discloses a system comprising RAM (Col. 2, line 52), hard disk (Col. 9, line 5), or other disk drive (Col. 8, line 64).

Referring to claim 4, Smith discloses a copy protection scheme where the trading card data will be deleted after quitting the program (Col. 9, lines 19-22).

Referring to claim 7, Smith discloses individual data that is associated with a certain player or character that can be packaged together (Col. 2, lines 10-13).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claim 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Smith, U.S. Patent No. 5,533,124, in view of Cooper, U.S. Patent No. 5,757,907. Referring to claim 8, Smith discloses executable program code under the control of a processor/controller (computer code

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segment embodied in tangible medium) (Col. 5, lines 31-33), digital data (digital content) (Col. 5, line 51), software that causes trading card data that has been stored to be cleared or deleted (supports content scarcity and content authenticity) (Col. 3, lines 24-34), a copy protection scheme using encryption (lock and key mechanism) (Col. 2, lines 31-44), data for producing graphics, written text, sound, and video (graphic identification code and multimedia) (Col. 2, lines 13-17), interactive areas used to provide different graphics and multimedia (Col. 3, lines 13-15), and a PC (Col. 5, line 12), trading card software (Col. 5, line 27), input devices (Col. 5, line 27), and a display (Col. 5, line 30). Shamir discloses using watermark for protecting visual information (Col. 1, line 45 – Col. 2, line 15). Smith does not disclose executable program code that has a trial mode or trial number of sessions. Cooper discloses program code that has a trial mode defined by either a timer, or a counter (Col. 8, lines 38-45). It would have been obvious to one of ordinary skill in the art at the time the invention was made to include a time trial on the executable program code of Smith in order to reduce unnecessary risks of piracy or unauthorized utilization beyond the trial interval as taught in Cooper (Col. 2, lines 26-31).

5. Claims 11 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Smith, U.S. Patent No. 5,533,124, in view of Welsh, U.S. Patent No. 4,970,666. Smith discloses executable program code under the control of a processor/controller (computer code segment embodied in tangible medium) (Col. 5, lines 31-33), digital data (digital content) (Col. 5, line 51), software that causes trading card data that has been stored to be cleared or deleted (supports content scarcity and content authenticity) (Col. 3, lines 24-34), a copy protection scheme using encryption (lock and key mechanism) (Col. 2, lines 31-44), data for producing graphics, written text, sound, and video (graphic identification code and multimedia) (Col. 2, lines 13-17),

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interactive areas used to provide different graphics and multimedia (Col. 3, lines 13-15), and a PC (Col. 5, line 12), trading card software (Col. 5, line 27), input devices (Col. 5, line 27), and a display (Col. 5, line 30). Shamir discloses using watermark for protecting visual information (Col. 1, line 45 – Col. 2, line 15). Smith does not disclose a digital content library or album of computer code. Welsh discloses an image library containing a collection of images (Col. 3, lines 6-8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to include the image library in the executable code system of Smith because the library would enable the user to select additional image elements from the image library as taught in Welsh (Col. 3, lines 6-19).

(11) *Response to Argument*

Applicant's Declarations (Tab C dated 3/27/97, Tab E dated 9/27/96) pursuant to 37 CFR § 1.131 swear to claims in a different application, 08/398,862. It would be appropriate to file a new Declaration pursuant to 37 CFR § 1.131 specific to the case at hand. Although these are not proper declarations pursuant to 37 CFR § 1.131 with respect to the claims in this application, they are evidence and have been considered for what they show.

Applicant's support for conception that was included with the Response Based on Decision on Appeal (Tab E) is not appropriate because it is merely attorney arguments and not a sworn declaration to Applicant's claimed invention. Showing of the various concepts embodied in the claims of the current application and their conception before the critical date of the Smith reference is required.

Assuming the Declaration formality issues were properly addressed by Applicant, the Declaration would still fall short because the Declaration fails to show conception of means to

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support content scarcity and content authenticity. The Declaration also fails to establish diligence from a date prior of the Smith reference to either a constructive reduction to practice or an actual reduction to practice.

Conception

MPEP 715.07

Conception is the mental part of the inventive act, but it must be capable of proof, as by drawings, complete disclosure to another person, etc. In *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 O.G. 1417 (D.C. Cir. 1897), it was established that conception is more than a mere vague idea of how to solve a problem; **the means themselves and their interaction** must be comprehended also.

Applicant's arguments that the evidence provided with the Declaration is sufficient to show both conception and reduction to practice is not persuasive because each independent claim recites the limitation "computer code segment further embodied in an electronic format that **supports** content scarcity and content authenticity" and nowhere does the evidence provide support of conception for **the means themselves and their interaction** of the system for the "computer code segment further embodied in an electronic format that **supports** content scarcity and content authenticity."

MPEP 715.07

The affidavit or declaration and exhibits must clearly explain which facts or data applicant is relying on to show completion of his or her invention prior to the particular date. Vague and general statements in broad terms about what the exhibits describe along

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with a general assertion that the exhibits describe a reduction to practice “amounts essentially to mere pleading, unsupported by proof or a showing of facts” and, thus, does not satisfy the requirements of 37 CFR 1.131(b). In re Borkowski, 505 F.2d 713, 184 USPQ.29 (CCPA 1974). Applicant must give a **clear explanation** of the exhibits pointing out exactly what facts are established and relied on by applicant. 505 F.2d at 718-19, 184 USPQ at 33. See also In re Harry, 333 F.2d 920, 142 USPQ 164 (CCPA 1964) (Affidavit “asserts that facts exist but does not tell what they are or when they occurred.”).

In general, proof of actual reduction to practice requires a showing that the apparatus actually existed and worked for its intended purpose.

Applicant has provided no explanation of which facts or data applicant is relying on to show completion of his or her invention prior to the particular date. Applicant merely points to several card collecting scenarios in the Declaration (Tab E, Document BC2) for support of the claimed “computer code segment further embodied in an electronic format that supports content scarcity and content authenticity.” However, Applicant’s evidence fails to provide a showing of **the means themselves and their interactions** to support the above claim limitation. In the Response Based on Decision on Appeal (Tab E dated 10 May 2000), Applicant points to document BC2 to support the limitation of an electronic format that supports card scarcity and card authenticity. Document BC2 discloses a scenario where an individual solves puzzles of different levels of difficulty on an E-Card game, and once the player completes a puzzle a print

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out is provided with the time and date the puzzle was completed. There is no teaching in Document BC2 that solving the puzzles or completing the games alter the E-Cards based on what has been completed. There is no teaching that completing these puzzles or games makes the E-Card scarce. The only proof the player has of puzzle or game completion is the print outs provided. Applicant argues that the concept of scarcity is provided by the scenario of "Tim's friend Jerry gives him a rare Movie Card at school. Tim's friends have been searching for this card for weeks..." The phrase rare Movie Card does not provide sufficient evidence to support the claimed limitation "computer code segment further embodied in an electronic format that **supports** content scarcity and content authenticity", because "rare Movie Card" does not provide **the means themselves and their interactions** to support the above limitation nor would it be inherent or obvious based on the disclosed evidence. Applicant further argues the notion of authenticity is supported in Document BC2 in the scenario "He finds the missing trading card at a local trading card store." Again, the disclosed evidence does not provide sufficient evidence to support the claimed limitation "computer code segment further embodied in an electronic format that **supports** content scarcity and content authenticity", because the notion of finding a card in a store in no way provides **the means themselves and their interactions** to support content authenticity nor would the limitation of content authenticity be inherent or obvious based on disclosed evidence.

Applicant argues further that documents C4 and C8 (Tab E) provides the necessary proof of content authenticity as a security screen, and Examiner argues that cited documents appear to deal solely with the idea of ETC access and not with content authenticity as argued by Applicant.

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Furthermore the documents once again fail to provide a showing of **the means themselves and their interactions** to support the above claim limitation.

Diligence

MPEP 715.07(a)

In patent law, an inventor is either diligent at a given time or he is not diligent; there are no degrees of diligence. An applicant may be diligent within the meaning of the patent law when he or she is doing nothing, if his or her lack of activity is excused. Note, however, that the **record must set forth an explanation or excuse for the inactivity**; the USPTO or courts will not speculate on possible explanations for delay or inactivity. See *In re Nelson*, 420 F.2d 1079, 164 USPQ 458 (CCPA 1970).

Even if Applicant properly established that conception occurred prior to the December 7, 1994 date of the Smith reference, Applicant would still have to show Diligence from just prior to the reference date (12/7/94) through the date of the constructive reduction to practice (the March 6, 1995 filing date of the parent application 08/398862).

While Examiner agrees that it is not unreasonable to expect the preparation of a patent application to take the interval from 2 December 1994 until 6 March 1995, any gaps in the activity of the preparation of said patent application must have an explanation set forth as to why this inactivity occurred.

MPEP 2138.06

An applicant must account for the entire period during which diligence is required. Gould

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v. Schawlow, 363 F.2d 908, 919, 150 USPQ 634, 643 (CCPA 1966) (Merely stating that there were no weeks or months that the invention was not worked on is not enough.); In re Harry, 333 F.2d 920, 923, 142 USPQ 164, 166 (CCPA 1964) (statement that the subject matter "was diligently reduced to practice" is not a showing but a mere pleading). A 2-day period lacking activity has been held to be fatal. In re Mulder, 716 F.2d 1542, 1545, 219 USPQ 189, 193 (Fed. Cir. 1983) (37 CFR 1.131 issue); Fitzgerald v. Arbib, 268 F.2d 763, 766, 122 USPQ 530, 532 (CCPA 1959) (Less than 1 month of inactivity during critical period. Efforts to exploit an invention commercially do not constitute diligence in reducing it to practice. An actual reduction to practice in the case of a design for a three-dimensional article requires that it should be embodied in some structure other than a mere drawing.); Kendall v. Searles, 173 F.2d 986, 993, 81 USPQ 363, 369 (CCPA 1949) (Diligence requires that applicants must be specific as to dates and facts.).

The period during which diligence is required must be accounted for by either affirmative acts or acceptable excuses. Rebstock v. Flouret, 191 USPQ 342, 345 (Bd. Pat. Inter. 1975); Rieser v. Williams, 225 F.2d 419, 423, 118 USPQ 96, 100 (CCPA 1958) (Being last to reduce to practice, party cannot prevail unless he has shown that he was first to conceive and that he exercised reasonable diligence during the critical period from just prior to opponent's entry into the field); Griffith v. Kanamaru, 816 F.2d 624, 2 USPQ2d 1361 (Fed. Cir. 1987) (Court generally reviewed cases on excuses for inactivity including vacation extended by ill health and daily job demands, and held lack of university funding and personnel are not acceptable excuses.); Litchfield v. Eigen, 535

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F.2d 72, 190 USPQ 113 (CCPA 1976) (budgetary limits and availability of animals for testing not sufficiently described); Morway v. Bondi, 203 F.2d 741, 749, 97 USPQ 318, 323 (CCPA 1953) (voluntarily laying aside inventive concept in pursuit of other projects is generally not an acceptable excuse although there may be circumstances creating exceptions); Anderson v. Crowther, 152 USPQ 504, 512 (Bd. Pat. Inter. 1965) (preparation of routine periodic reports covering all accomplishments of the laboratory insufficient to show diligence); Wu v. Jucker, 167 USPQ 467, 472-73 (Bd. Pat. Inter. 1968) (applicant improperly allowed test data sheets to accumulate to a sufficient amount to justify interfering with equipment then in use on another project); Tucker v. Natta, 171 USPQ 494,498 (Bd. Pat. Inter. 1971) (“[a]ctivity directed toward the reduction to practice of a genus does not establish, prima facie, diligence toward the reduction to practice of a species embraced by said genus”); Justus v. Appenzeller, 177 USPQ 332, 340-1 (Bd. Pat. Inter. 1971) (Although it is possible that patentee could have reduced the invention to practice in a shorter time by relying on stock items rather than by designing a particular piece of hardware, patentee exercised reasonable diligence to secure the required hardware to actually reduce the invention to practice. “[I]n deciding the question of diligence it is immaterial that the inventor may not have taken the expeditious course....”).

The Declaration of Peppel asserts that a patentability search was received by the inventor on December 2, 1994. The next action reported by the Applicant is a meeting with attorney On 4 January 1995. As cited above, an applicant must account for the entire period during which diligence is required. Here Applicant has a gap of approximately 1 month over a critical period

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spanning the date of the reference. Therefore, (a) there is no showing of diligence from *prior to the reference date* and (b) diligence is not proved for the entire period.

Note further, that there is a further period between January 4, 1995 when Applicant first met with Mr. Glenn and January 22 1995 when no activity appears to have occurred toward reducing the invention to practice.

Declaration of Peppel (9/27/96, Tab E) asserts that a patentability search was provided on 2 December 1994. However, there is no evidence of any activity from 2 December 1994 to 4 January 1995 when Applicant first met with Mr. Glenn. The lack of evidence for this period fails to establish diligence.

Applicant attempts to show diligence for the period of 4 January 1995 through filing on 6 March 1995 by means of an affidavit by Attorney Mr. Glenn (5/11/00, Tab E). Attorney recites a list of activities which occurred during this time frame and provides supporting exhibits for two of these activities (Interview with Tyler Peppel 1/22/95 & Fax Correspondence between Tyler Peppel and Michael Glenn 2/23/95, Tab E). However, there is no indication as to whether this qualifies as reasonable diligence on the part of the attorney. The attorney has not indicated whether the case was worked on in the ordinary course without giving preference to other unrelated cases. Again, although the time span does not appear to be unreasonable, the Office will not speculate as to the conditions of the attorney's docket and practice. Therefore, the Examiner has not been presented with adequate information to arrive at the conclusion that the attorney was reasonably diligent.

In summary, (1) Applicant has not submitted evidence which meet the formal requirements of a proper 1.131 Affidavit; (2) Even if the evidence is treated as if it met all the

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formalities it (a) fails to establish conception and (b) fails to establish diligence from prior to the reference date until the effective filing date of the instant application.

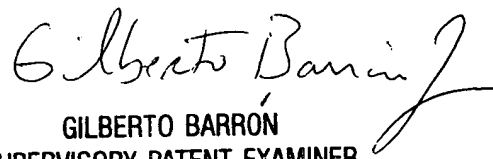
For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,




Benjamin E. Lanier
August 5, 2004

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